



**Joint Meeting
State Transportation Commission
Michigan Aeronautics Commission**

**Aeronautics Building Auditorium
Lansing, Michigan**

Thursday, March 20, 2014, 9:00 a.m.

Minutes

I. OPENING REMARKS/INTRODUCTIONS

Michigan Aeronautics Commission (MAC) Chairman Pete Kamarainen called the meeting to order at 9:00 a.m.

Chairman Kamarainen welcomed the audience and State Transportation Commission (STC) members.

Chairman Kamarainen spoke about flying the evening before and making an unscheduled overnight stop, due to ice, at the Oakland County International Airport. He spoke about the warm welcome and excellent service he received at Pentastar Aviation. While walking around, he noticed pictures of Henry Ford. One, in particular, portrayed Henry Ford signing the side of the 5,000th B-24 that came off the line at the Willow Run Plant. This reminded Chair Kamarainen of the Michigan Airports Conference held last month where keynote speaker Michael Boyd related a topic on how to use airports as hubs of manufacturing. Mr. Boyd relayed a number of stories where manufacturers bought airport resources, facilities, and plants. An example here in Michigan, near the border of Wisconsin, is Menominee–Marinette Twin County Airport where Enstrom Helicopters, Corp. is doing very well. They are hiring and providing good high paying jobs. Chairman Kamarainen spoke about other key airport assets Michigan has specifically Willow Run, Sawyer, and Detroit City and how these facilities could be marketed the same way providing the same opportunity to use them as hubs of economic activity.

STC Chairman Jerrold Jung also welcomed members of the audience and MAC.

Members of the STC and MAC introduced themselves. All members were present with the exception of MAC Commissioner Mike Caldwell and STC Commissioner Ron Boji.

II. PRESENTATIONS

Director's Report – MDOT Director Kirk T. Steudle

Assess the Current Challenge

Director Steudle welcomed everyone and began his report by stating that there is discussion going on about funding regarding roads, bridges, transit, and airports. He presented a slide with three graphs:

The bottom graph represents the State Trunkline System. The bars signify investment levels over the years, and the line graph represents pavement condition. As the investment drops off, so does the condition.

The upper right graph is from the Asset Management Council signifying all of the federal-aid roads (state trunkline, county primary, and city major roads/streets), which represents the commercial network handling about 99 percent of commercial activity in the state. The graph illustrates the percentage of good and fair roads decreasing, with the percentage of poor roads increasing.

The upper left graph represents the Highway Trust Fund, as well as the Transit Fund. The importance of this graph is that there is a big hole. In 2015, the Highway Trust Fund will run out of money. In July or August of this year, it will go below \$4 billion. Federal authorization for surface transportation and transit expire the end of September. Federal authorization for aeronautics expires in 2015.

Director Steudle stated that before the November election, transportation will be a main point of discussion at the federal level, as well as the state level here in Michigan.

Successful Innovations

Director Steudle reported that there are great innovations happening in every area throughout MDOT and highlighted several, which are about ten percent of what is going on within the department:

- E-Project
- Infra-Red
- Carbon Fiber
- Lateral Bridge Slide
- Concrete
 - Accelerated Opening-to-Traffic Pavement: Cast-in-Place Rapid Setting Mixtures
 - Super Air Meter
 - MIT Scan T-2
- Asphalt
 - Recycled Materials
 - Warm Mix Asphalt
 - Longitudinal Joint Density SP
- Maintenance
 - Tow Plow in Action
 - Dual Wing Front and Back

- Right Wing
- Left Wing
- Consulting
 - Risk Based Audit Approach for Consultant Contracts Financial Close-Out
 - Wildly Important Goal – Timeliness of Consultant Payments
 - Standardized Consultant Invoice
- Aeronautics
 - Aeronautics Project Manager (AeroPM) Application
 - Airport System Manager (ASM) Application
 - Electronic Flight Bag
 - Automatic Dependence Surveillance–Broadcast (ADS-B)

Director Steudle stated that there are tremendous efforts going on throughout the department. There is a group of 2,500 dedicated state employees who take their jobs very seriously. They are out there to provide a safe transportation network, one that is long lasting and the best value for the citizens of Michigan. Director Steudle stated that he is very proud of MDOT staff for all of the work they are doing.

Chairman Kamarainen thanked Director Steudle for his report.

Director Steudle's report can be viewed in full on the Michigan Aeronautics Commission Web page at www.michigan.gov/aero under QuickLinks.

Aeronautics Report – Michael G. Trout, Executive Administrator

Federal Aviation Administration – President's Proposed 2015 Budget

Mr. Trout welcomed everyone and began his report by stating that reauthorization for the Federal Aviation Administration is coming up next year, and those discussions will be similar to what is going on now with the highway and transit funding.

As part of the process, President Obama's proposed 2015 budget is as follows:

- Request for \$15.4 billion
 - Operations \$9.7 billion
 - Facilities & Equipment \$2.6 billion
 - Airport Improvement Program (AIP) \$2.9 billion
 - Research & Development \$157 million
(\$9 million to UAS Integration)

The Unmanned Aerial System is taking a larger chunk each year to try and integrate into the civil airspace, which will be a big focus for the next few years.

Key features of the President's proposal include:

- Increase Passenger Facility Charge from \$4.50 to \$8.00
The increase would replace the entitlement program, which some of the larger airports have. The proposed increase is supported by the industry.
- Airport Improvement Program (AIP) reduced from \$3.35 to \$2.9 billion

- New Per flight user fee \$100 on General Aviation
The fee is not supported by the industry. The fee is unnecessary, due to the fact that the fuel tax is the most efficient way to fund aviation.

Mr. Trout also stated that part of the President's proposal is to extend the depreciation schedule on aircraft. Currently, it is five-year asset depreciation. This extension would have a negative impact on general aviation users, as well as people who fly corporate jets.

Federal Aviation Administration Authorization Impacts

Mr. Trout stated that the current \$3.35 billion through 2015 includes AIP. If AIP drops below \$3.2 billion, as it is being proposed, Michigan would lose \$11.3 million in funding. The state apportionment formula would decrease from 20 to 18.5 percent. The primary passenger entitlement funding would be reduced at certain airports from \$1 million to \$650,000. These airports include Sault Ste. Marie, Houghton, Escanaba, Marquette, Alpena, and Charlevoix. Cargo entitlements would be reduced from 3.5 to 3 percent, totaling approximately \$340,000 in losses for airports such as Willow Run, Flint, and Lansing. Also, contract tower funding would be eliminated affecting Battle Creek, Detroit City, Jackson, and Marquette.

Mr. Trout stated that the Essential Air Service Program is also important to Michigan. Currently there are nine airports receiving \$17.3 million in subsidies under the program.

Mr. Trout played a video entitled "A Jewel in Canton" highlighting Canton-Plymouth-Mettetal Airport, a state owned airport. The video showcases how an airport can and should be managed. The airport is self-sufficient, generates significant revenue, and plays a vital role in the community.

Chairman Kamarainen stated that the video touched on the Young Eagles Program, where a child under 18 years of age is able to obtain a free flight. The other component of the program is private pilot ground school (a \$300 value). If you have a child that is interested in aerospace in any respect, UAVs, maintenance, engineering, flying, etc., take advantage of the Young Eagles Program. It is a fantastic program. Chairman Kamarainen also encouraged everyone to be a mentor to children. ABM – Always Be Mentoring. Bring children to the airports, as Michigan has many great airports. We need more people using the airports flying.

Mr. Trout spoke about attending the AASHTO/NASAO Washington Briefing in February, in which he received a report entitled "The Impact of General Aviation on State and Local Economies" released by the Alliance for Aviation Across America and the American Association of State and Highway Transportation Officials. The goal for the report is to help communicate the importance of general aviation and our nation's network of local airports to local economies and towns around the country.

Chairman Kamarainen thanked Mr. Trout for his report.

Mr. Trout's report can be viewed in full on the Michigan Aeronautics Commission Web page at www.michigan.gov/aero under QuickLinks.

e-Construction – Cliff Farr, Construction & Technology Field Manager

Mr. Farr expressed that he was excited to present and began his report by stating that over the past one and a half years, there has been some dramatic things happening relating to construction document management.

What is e-Construction?

- ProjectWise construction document management
- Digitally encrypted electronic signatures
- Mobile devices in the field – mobility is key!
- Innovative training/manuals/instructions
- Electronic data gathering
- Dramatic construction documentation process improvement

e-Construction Pilot Projects

Projects started construction in October 2012

- I-96 Latson Road
- M-231 Little Robinson Creek
- M-231 over the Grand River
- I-75 Zilwaukee Bridge

e-Construction e-efficiencies

- Document distribution is immediate
 - No time and money wasted printing and mailing documents
- Documents approved faster
- Original documents available for viewing by all project partners
 - Not hidden in a filing cabinet and locked in an office
 - Eliminates need for several files/document copies
- Documents are secure and backed up
- Audit – transparency - portability

e-Construction Printing/Mailing Stats

One Pilot Project Preliminary Estimated Savings:

- 170,000 pieces of paper (all parties)
- \$300,000 (time, total paper, printing, mail, etc.)
 - \$180,000 MDOT savings
 - \$120,000 Contractor savings
- Statewide estimate of \$22 million in productivity gains
- Incalculable time savings
 - Contractor interest, bonding, etc.
 - Contracts completed faster

Mr. Farr stated that implementation began January of this year. Projects are now in production, and I-96 is the first project. There will be at least one e-Construction contract in each TSC by June of this year. After successful implementation of the first project, TSCs can add projects on their own through 2014.

Mr. Farr spoke about the enthusiasm and support for e-Construction nationally. There are multiple speaking engagements with AASHTO and FHWA regarding the processes. Webinars have been scheduled with Florida, North Carolina, Texas, and Delaware. There are 22 states interested in being a champion of this effort.

Mr. Farr stated that the goal is to have all trunkline projects be e-Construction contracts by the 2015 construction season.

Chairman Kamarainen thanked Mr. Farr for his presentation.

Mr. Farr's presentation can be viewed in full on the Michigan Aeronautics Commission Web page at www.michigan.gov/aero under QuickLinks.

III. PUBLIC COMMENT

Chair Kamarainen asked if there were any public comments.

Mr. John Lauve, a rocket scientist and an airline transport pilot, stated that the Michigan Aeronautic Chart and Airport Directory are both excellent resources. He thanked MDOT for both documents. Mr. Lauve also spoke about Michigan's great assets and how they are not being promoted properly. For example the many great museums throughout the state, as well as the Willow Run Plant and aviation school at the Detroit City Airport. He expressed his concern and disappointment of the intent for the plant to be torn down, as well as for the school closing. He stated that these attributes need to be promoted and preserved.

Chairman Kamarainen thanked Mr. Lauve for his comments.

There were no other public comments.

IV. ADJOURNMENT

Chair Kamarainen adjourned the meeting of the STC and MAC at 10:05 a.m.

Chair Kamarainen announced that the STC meeting will resume in the 2nd floor conference room after a brief break, and the MAC meeting will remain in the auditorium.



Michael G. Trout, Director
Michigan Aeronautics Commission

Dated: _____

4/15/14